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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

1776 K STREET, N.W.
WASHINGTON, D. C. 20006
(202) 429-7000

ROBERT L. PETTIT
(202) 429-7019

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(202) 429-7049

July 7, 1997

The Honorable Reed E. Hundt
The Honorable James H. Quello
The Honorable Rachelle B. Chong
The Honorable Susan Ness
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

Re: MobileMedia Corporation *et al.* (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

Enclosed is a facsimile copy of the monthly status report of MobileMedia Corporation, filed pursuant to the Commission's stay order in the above-referenced proceeding. The original copy of the report will be filed with the Commission as soon as it is received from the company.

Should any questions arise concern this, please let me know.

Sincerely,



Robert L. Pettit
Counsel for MobileMedia Corporation

cc: Service list on the attached document

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

MOBILEMEDIA CORPORATION

65 Challenger Road, 5th Floor

Ridgefield Park, NJ 07660

(201) 393-4664

Fax: (201) 449-8969

July 7, 1997

The Honorable Reed E. Hundt
The Honorable James H. Quello
The Honorable Rachelle B. Chong
The Honorable Susan Ness
Federal Communications Commission
1919 M Street, N.W.
Washington, DC 20554

Re: MobileMedia Corporation *et al.* (WT Docket No. 97-115)

Dear Mr. Chairman and Commissioners:

Pursuant to Paragraph 19 of the Stay Order entered by the Commission on June 6, 1997, MobileMedia submits this monthly status report as to the progress of the bankruptcy proceedings:

I. PROCEEDINGS IN THE BANKRUPTCY COURT

Proceedings in the Bankruptcy Court in June involved numerous motions relating to compliance with the FCC stay order, stabilization of the Debtors' business, improving the Debtors' business operations and preparing for the plan of reorganization process. On June 4, hearings were conducted in the Bankruptcy Court on several motions that had previously been filed by MobileMedia. These motions and their disposition are as follows:

1. **Debtors' Motion to Extend the Exclusive Periods During Which the Debtors May File a Plan of Reorganization and Solicit Acceptance of Such Plan**
 - After negotiations among the Debtors, the Official Committee of Unsecured Creditors, and the Debtors' Lenders, the Court granted the Debtors a 90-day extension of the exclusivity period to file a plan, to August 29, 1997, without prejudice to the Debtors' right to seek further extensions. The exclusivity period is the initial 120-day period prescribed by the Bankruptcy Code during which only the Debtors may file a plan of reorganization. The solicitation period was concomitantly extended to October 30, 1997.

2. Debtors' Motion for an Order Approving Employment Agreement with Ronald R. Grawert
 - The Court approved the terms of Mr. Grawert's employment as Chief Executive Officer.
3. Debtors' Motion for an Order Approving Employment Agreement with Joseph A. Bondi
 - The Court approved the terms of Mr. Bondi's employment as Chairman-Restructuring.
4. Motion for an Order Authorizing the Debtors to Implement an Effective Date Bonus Program
 - The Court approved a bonus program providing for the payment of bonuses to certain of the Debtors' executives upon the Effective Date of a plan of reorganization. The amount of the bonus pool is related to the "reorganization value" of the Debtors, which value will be determined by the Court upon confirmation of a plan of reorganization or by reference to the consideration received pursuant to a sale of MobileMedia to a third party.
5. Application for Order Authorizing Employment of The Blackstone Group L.P. as Financial Advisor by the Debtors
 - This motion was adjourned to afford the Debtors additional time to formulate a fee structure for Blackstone's investment banking services that was acceptable to the Debtors' Lenders and Creditors' Committee; as of the date of this report, an agreement has been reached on a fee structure, and a revised agreement will be presented to the Bankruptcy Court for approval.

In addition to the foregoing, several motions were filed with the Bankruptcy Court in June and set for hearing in July and August:

1. Debtors' Motion for a Preliminary Injunction Staying or Enjoining the Continuation of Certain Securities Litigation Pending in the United States District Court for the District of New Jersey
 - This motion, which was filed on June 13, seeks a declaration that all securities litigation pending against certain of MobileMedia's current and former officers and directors is stayed pursuant to the automatic stay provisions of Section 362 of the Bankruptcy Code. It has been set for hearing before the Bankruptcy Court on August 1, 1997. The basis of the motion, in essence, is that the Debtors, who are also named defendants in the actions, are the real party in interest in the litigation and, therefore, although the actions are stayed as against the Debtors, the litigation should be stayed as against the officers and directors to avoid prejudice to the estate and distraction from the reorganization process.

2. Debtors' Motion for an Order Enjoining Certain Transfers of the Stock of MobileMedia Corporation

- In furtherance of the Commission's June 6 Order, the Debtors filed this motion on June 23 seeking a court order prohibiting stock trading by MobileMedia's current officers, directors, and senior managers. This motion has been set for hearing on July 11. Prior to the filing of the motion, and immediately upon issuance of the June 6 Order, the Debtors' officers, directors, and senior managers were informed of the terms of the June 6 Order and directed not to engage in any stock trading.

3. Motion for an Order Authorizing the Debtors to Employ Mercer Management Consulting as Consultants

- This motion was filed on June 19 and seeks authority to employ management consultants to help analyze and improve the Debtors' customer service and marketing functions.

In addition, several motions were approved by the Bankruptcy Court in June relating to leases of non-residential real property pursuant to which the Debtors lease certain office space and tower sites. These motions included the rejection of numerous leases and the assumption of a lease in Houston, Texas.

II. PROGRESS TOWARDS A PLAN OF REORGANIZATION

As previously indicated to the Commission, the first step in the process of formulating a plan of reorganization is the determination as to which business solution (sale to a third-party or "stand-alone" reorganization) will produce the highest enterprise value for MobileMedia's creditors. This process is actively underway. The Debtors' financial advisor, The Blackstone Group, has been engaged in analysis of the Debtors' business.

In addition, preliminary discussions took place in June with the Debtors' Lenders and with the Creditors' Committee pertaining to the terms of a "stand-alone" plan of reorganization, i.e., a plan that would effect a transfer of ownership of the company to its creditors. These discussions are ongoing. The Debtors' management and The Blackstone Group also held preliminary discussions with several prospective third-party purchasers of MobileMedia. Those discussions are continuing as well, with several meetings scheduled in July.¹

III. FINANCIAL PERFORMANCE

¹ Because The Blackstone Group and the Debtors believe it would be detrimental to the plan process to disclose the identities of the third-parties with whom the Debtors have met and the details of those discussions, the foregoing description is, by necessity, summary in nature.

Chairman Reed E. Hundt
July 7, 1997
Page 4

The Debtors are required to file Monthly Operating Reports with the United States Trustee. The Monthly Operating Report provides information relating to the company's financial performance for the prior month. A copy of the Debtors' Monthly Operating Report for May, 1997, which was filed on July 1, is attached hereto.

IV. OTHER DEVELOPMENTS

June 16 was the last day for creditors to file proofs of claim with respect to their pre-petition claims against the Debtors. Over 2,000 claims were filed. The Debtors are evaluating the validity of filed claims, with the goal of resolving as many claims as possible without litigation.

* * *

We hope that this information is helpful. While a bankruptcy of this magnitude presents a large range of issues to deal with, it is our hope to conclude the bankruptcy proceeding (and to present to the Commission and the Bankruptcy Court a plan of reorganization) as expeditiously as possible. If we can provide any additional information or if you have any questions with regard to the foregoing, please let me know.

Sincerely,



Joseph A. Bondi
Chairman Restructuring

cc: William E. Kennard, Esquire
Daniel Phythyon, Esquire
David Solomon, Esquire
Rosalind K. Allen, Esquire
Gary Schonman, Esquire
John J. Riffer, Esquire
John Harwood, Esquire
Philip Spector, Esquire
Dennis Corbett, Esquire
Michael Hays, Esquire
Mr. William Caton (for inclusion with WT Docket No. 97-115)

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

OFFICE OF THE U.S. TRUSTEE - REGION 3
MONTHLY OPERATING REPORT

For the month ended May 31, 1997

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

Required Attachments:	Document Attached	Previously Submitted	Explanation Attached
1. Tax Receipts	()	(X)	(X)
2. Bank Statements	()	()	(X)
3. Most recently filed Income Tax Return	()	(X)	()
4. Most recent Annual Financial Statements prepared by accountant	()	(X)	()

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:


SIGNATURE OF RESPONSIBLE PARTY

Senior Vice President/Chief Financial Officer
TITLE

David R. Gibson
PRINTED NAME OF RESPONSIBLE PARTY

June 30, 1997
DATE

OFFICE OF THE U.S. TRUSTEE - REGION 3
ATTACHMENT

For the month ended May 31, 1997

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

-
1. Payroll tax filings and payments are made by Automated Data Processing, Inc. (an outside payroll processing company). Evidence of tax payments are available upon request. Previously, the Debtors filed copies of such evidence for the third quarter of 1996 with the US Trustee.

Please see the Status of Post Petition Taxes attached hereto for the month's activity.

2. The Debtors have 63 bank accounts. In order to minimize costs to the estate, the Debtors have included a GAAP Statement of Cash Flows in the Monthly Operating Report. The Statement of Cash Flows replaces the listing of cash receipts and disbursements, copies of the bank statements, and bank account reconciliations.

OFFICE OF THE U.S. TRUSTEE - REGION 3
CONDENSED CONSOLIDATED
STATEMENT OF OPERATIONS

For the month ended May 31, 1997

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (P JW)

See Statement of Operations for reporting period attached.

HEADNOTES:

The closing of the Financial Statements of the Debtors for the year ended December 31, 1996 has not been completed. Therefore, in addition to the adjustments reflected below, the Financial Statements included in this Monthly Operating Report do not reflect the effect of other adjustments for the year ended December 31, 1996, which adjustments will be material.

The Debtors believe that there will be adjustments to their Accounts Receivable, Inventory, Fixed Assets, Intangible Assets and Depreciation Expense. There will also be adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

(1) The Company made adjustments to reflect the recording of an allowance for estimated disparities between recorded revenues and collections in the amounts of \$2.0, \$4.0 and \$10.1 million in the months of May, April and March, respectively. Of the \$10.1 million adjustment in March, \$6.7 million relates to January and February 1997. Accordingly, results for the month of March 1997 are not indicative of the Debtors' underlying performance during that month.

(2) Includes an adjustment of approximately \$1.0 million to decrease Cost of Products Sold during the first quarter of 1997. Such adjustment is offset by a reduction in an Inventory reserve established as of December 31, 1996. See Headnote 1 to the Consolidated Balance Sheets.

MobileMedia Corporation and Subsidiaries
Consolidated Statements of Operations
For the Months Ended May 31, 1997, April 30, 1997 and March 31, 1997
 (Unaudited)
 (in thousands)

	May 1997	April 1997	March 1997
Paging Revenues			
Service, Rents & Maintenance (1)	\$43,599	\$42,597	\$36,633
Equipment Sales			
Product Sales	2,039	2,930	3,853
Cost of Products Sold	2,011	2,515	2,808 (2)
Equipment Margin	28	415	1,045
Net Revenue	43,627	43,011	37,678
Operating Expense			
Service, Rents & Maintenance	14,154	12,284	11,307
Selling	6,110	5,971	7,015
General Administration	15,518	17,458	16,795
Operating Expense Before Depr. & Amort.	35,782	35,713	35,117
EBITDA Before Restructuring Costs	7,845	7,298	2,561
Restructuring Costs	1,473	1,891	1,841
EBITDA after Restructuring Costs	6,371	5,408	720
Depreciation	8,705	11,017	9,784
Amortization	9,232	9,232	9,233
Total Depreciation and Amortization	17,938	20,250	19,017
Operating Loss	(11,567)	(14,842)	(18,297)
Interest Expense	5,277	5,056	5,194
Other Expense	0	1	0
Loss Before Income Tax Benefit	(16,843)	(19,898)	(23,491)
Income Tax Benefit	0	0	0
Net Loss	(16,843)	(19,898)	(23,491)

See Accompanying Notes.

OFFICE OF THE U.S. TRUSTEE - REGION 3
CONDENSED CONSOLIDATED BALANCE SHEET

For the month ended May 31, 1997

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

See balance sheet attached.

The closing of the Financial Statements of the Debtors for the year ended December 31, 1996 has not been completed. Therefore, in addition to the adjustments reflected below, the Financial Statements included in this Monthly Operating Report do not reflect the effect of other adjustments for the year ended December 31, 1996, which adjustments will be material.

The Debtors believe that there will be adjustments to their Accounts Receivable, Inventory, Fixed Assets and Intangible Assets. There will also be adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

(1) Reflects an approximate \$1.0 million reduction in an Inventory allowance established at December 31, 1996. See Headnote 2 to Consolidated Statements of Operations.

(2) Reflects adjustments to previously reported Balance Sheet items for months prior to May 1997, consisting of (i) an adjustment in March of approximately \$2.8 million to increase Accrued Expenses and Other Current Liabilities, reflecting a review of accounts payable and the accrual of certain amounts as of December 31, 1996, and a corresponding increase in Property and Equipment, Net, (ii) an adjustment in April of approximately \$0.8 million to decrease Accrued Expenses and Other Current Liabilities, reflecting a review of accounts payable and the accrual of certain amounts as of December 31, 1996, and a corresponding decrease in Property and Equipment, Net, and (iii) an adjustment in April of approximately \$1.0 million to decrease Property and Equipment, Net, reflecting a correction in the reporting of the April results, and a corresponding increase in the Accumulated Deficit - Post Petition.

MobileMedia Corporation and Subsidiaries
Consolidated Balance Sheets
As of May 31, 1997, April 30, 1997 and March 31, 1997
(Unaudited)
(in thousands)

	May 31 1997	April 30 1997	March 31 1997
Assets:			
Current Assets:			
Cash	\$5,150	\$10,523	\$14,444
Accounts Receivable, Net	89,019	89,704	94,742
Inventory	9,090	10,535	10,150 (1)
Prepaid Expenses	1,108	1,287	1,322
Other Current Assets	3,391	3,570	2,682
Total Current Assets	107,758	115,619	123,340
Noncurrent Assets:			
Property and Equipment, Net	330,422	336,348 (2)	342,992 (2)
Deferred Financing Fees, Net	26,815	27,369	27,923
Investment In Net Assets Of Equity Affiliate	2,208	2,180	2,152
Intangible Assets, Net	1,082,566	1,091,798	1,101,030
Other Assets	613	625	637
Total Noncurrent Assets	1,442,624	1,458,319	1,474,733
Total Assets	\$1,550,382	\$1,573,938	\$1,598,073
Liabilities and Stockholders' Equity:			
Liabilities Not Subject To Compromise:			
DIP Credit Facility	\$15,000	\$15,000	\$20,000
Accrued Restructuring Costs	4,162	3,410	2,560
Accrued Wages, Benefits and Payroll Taxes	5,089	6,731	5,995
Accounts Payable - Post Petition	8,173	5,236	5,266
Accrued Interest (Chase & DIP Facilities)	4,464	4,249	4,414
Accrued Expenses and Other Current Liabilities	35,365	38,938 (2)	33,900 (2)
Advance Billings and Customer Deposits	36,514	39,063	39,742
Total Liabilities Not Subject To Compromise	108,768	112,628	111,877
Liabilities Subject To Compromise:			
Accrued Wages, Benefits and Payroll Taxes	8,293	11,084	11,331
Chase Credit Facility	649,000	649,000	649,000
Notes Payable - 10 1/2%	174,125	174,125	174,125
Notes Payable - 9 3/8%	250,000	250,000	250,000
Notes Payable - Yampol	986	986	986
Notes Payable - Dial Page 12 1/4%	1,570	1,570	1,570
Accrued Interest On Notes Payable	20,761	20,759	20,757
Accounts Payable- Pre Petition	14,073	13,093	11,535
Accrued Expenses and Other Current Liabilities - Pre Petition	29,173	30,176	36,433
Other Liabilities	5,099	5,142	5,186
Total Liabilities Subject To Compromise	1,153,081	1,155,935	1,160,923
Deferred Tax Liability	72,097	72,097	72,097
Stockholders' Equity			
Class A Common Stock	39	39	39
Class B Common Stock	2	2	2
Additional Paid-In Capital	671,459	671,459	671,459
Accumulated Deficit - Pre Petition	(370,814)	(370,814)	(370,815)
Accumulated Deficit - Post Petition	(78,127)	(61,285) (2)	(41,387)
Total Stockholders' Equity	222,559	239,401	259,299
Less:			
Treasury Stock	(6,123)	(6,123)	(6,123)
Total Stockholders' Equity	216,436	233,278	253,176
Total Liabilities and Stockholders' Equity	\$1,550,382	\$1,573,938	\$1,598,073

See Accompanying Notes

Footnotes to the Financial Statements:

1. The closing of the Financial Statements of the Debtors for the year ended December 31, 1996 has not been completed. Therefore, in addition to the adjustments described herein, the Financial Statements included in this Monthly Operating Report do not reflect the effect of other adjustments for the year ended December 31, 1996, which adjustments will have a material effect on the Debtors' financial position.

The Debtors believe that there will be adjustments to their Accounts Receivable, Inventory, Fixed Assets, Intangible Assets and Depreciation Expense. There may also be adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

In March 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets, to be Disposed Of" ("SFAS 121"), which is effective for financial statements for fiscal years beginning after December 15, 1995. Under certain circumstances, SFAS 121 requires companies to write down the carrying value of long-lived assets recorded in the financial statements to the fair value of such assets. A significant amount of the assets of the Company, which were acquired as a result of the acquisitions of businesses, including the Dial Page and MobileComm acquisitions, were recorded in accordance with principles of purchase accounting at acquisition prices and constitute long-lived assets. The Company has determined, and its independent auditors have concurred, that SFAS 121 is applicable to the Company, and therefore the Company may be required to write down the carrying value of its long-lived assets to their fair value. The Company believes the amount of the write down could be material; however, it is not possible at this time to determine such amount. Since the Company cannot comply with SFAS 121 at this time, it is unable to issue audited financial statements in compliance with generally accepted accounting principles. Consequently, the Company will not file its Report on Form 10-K or its other periodic reports under the Securities Exchange Act of 1934, as amended. Accordingly, the Company is unable to comply with the continued listing requirements of the Nasdaq National Market and has requested that its Common Stock be delisted. On June 3, 1997, the Company announced that it had determined to delist its Class A common stock, par value \$.001 per share, which was traded on the Nasdaq National Market.

Footnotes to the Financial Statements (continued):

2. On January 30, 1997 (the "Filing Date"), MobileMedia Corporation (the "Company"), MobileMedia Communications, Inc. ("MobileMedia Communications") and all seventeen of MobileMedia Communications' subsidiaries filed for protection under Chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors are operating as debtors-in-possession ("DIP") and are subject to the jurisdiction of the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court").

The Court has authorized the debtors to pay certain pre-petition creditors. These permitted pre-petition payments include (i) employee salary and wages; (ii) certain employee benefits and travel expenses; (iii) certain amounts owing to essential vendors; (iv) trust fund type sales and use taxes; (v) trust fund payroll taxes; (vi) customer refunds; and (vii) customer rewards.

3. Since the Filing Date, the Debtors have continued to manage their business as debtors-in-possession under sections 1107 and 1108 of the Bankruptcy Code. During the pendency of the Chapter 11 cases, the Bankruptcy Court has jurisdiction over the assets and affairs of the Debtors, and their continued operations are subject to the Bankruptcy Court's protection and supervision. The Debtors have sought, obtained, and are in the process of applying for, various orders from the Bankruptcy Court intended to stabilize and reorganize their business and minimize any disruption caused by the Chapter 11 cases.
4. The Consolidated Statements of Operations include: (a) adjustments to reflect the recording of an allowance for estimated disparities between recorded revenues and collections in the amounts of \$2.0, \$4.0 and \$10.1 million for the months of May, April and March, respectively. Of the \$10.1 million adjustment in March, \$6.7 million relates to January and February 1997. Accordingly, results for the month of March 1997 are not indicative of the Debtors' underlying performance during that month; and (b) an adjustment made in March in the amount of approximately \$1.0 million to decrease Cost of Products Sold during the first quarter of 1997. Such adjustment is offset by a reduction in an Inventory reserve established as of December 31, 1996. See Headnote 1 to the Consolidated Balance Sheet.

Footnotes to the Financial Statements (continued):

5. The Consolidated Balance Sheets include the following adjustments: (a) in March an approximate \$1.0 million reduction in an Inventory reserve established at December 31, 1996; and (b) adjustments to previously reported Balance Sheet items for months prior to May 1997, consisting of (i) an adjustment in March of approximately \$2.8 million to increase Accrued Expenses and Other Current Liabilities, reflecting a review of accounts payable and the accrual of certain amounts at December 31, 1996, and a corresponding increase in Property and Equipment, Net, (ii) an adjustment in April of approximately \$0.8 million to decrease Accrued Expenses and Other Current Liabilities, reflecting a review of accounts payable and the accrual of certain amounts at December 31, 1996, and a corresponding decrease in Property and Equipment, Net, and (iii) an adjustment in April of approximately \$1.0 million to decrease Property and Equipment, Net, reflecting a correction in the reporting of the April results, and a corresponding increase in the Accumulated Deficit - Post Petition. See Headnotes 1 and 2 to the Consolidated Balance Sheets.
6. During the month of February 1997, the Debtors drew down \$45 million of their DIP facility with The Chase Manhattan Bank, as agent for the lenders thereunder (the "DIP Lenders"). During the months of March and April 1997, the Debtors repaid \$25 million and \$5 million, respectively, of borrowings under the DIP facility.
7. The Company is the second largest paging company in the U.S., with approximately 4.1 million units in service at May 31, 1997, and offers local, regional and national paging services to its subscribers. The Company is reviewing its units in service to determine the number of units which require removal from its billing system for which payment is delinquent. The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. The Company's business is conducted primarily through the Company's principal operating subsidiary, MobileMedia Communications, Inc. ("MobileMedia Communications") and its subsidiaries. The Company markets its services primarily under the "MobileComm" brand name. All significant intercompany accounts and transactions have been eliminated.
8. As previously announced in its September 27, 1996 and October 21, 1996 releases, the Company discovered misrepresentations and other violations which occurred during the licensing process for as many as 400 to 500, or approximately 6% to 7%, of its approximately 8,000 local transmission one-way paging stations. The Company caused an investigation to be conducted by its outside counsel, and a comprehensive report regarding these matters was provided to the Federal Communications Commission (the "FCC") in the fall of 1996. In cooperation with the FCC, outside counsel's investigation was expanded to examine all of the Company's paging licenses, and the results of that investigation were submitted to the FCC on November 8, 1996. As part of the cooperative process, the Company also proposed to the FCC that a Consent Order be entered which would result, among other things, in the return of certain local paging authorizations then

Footnotes to the Financial Statements (continued):

held by the Company, the dismissal of certain pending applications for paging authorizations, and the voluntary acceptance of a substantial monetary forfeiture.

On January 13, 1997, the FCC issued a Public Notice relating to the status of certain FCC authorizations held by the Company. Pursuant to the Public Notice, the FCC announced that it had (i) automatically terminated approximately 185 authorizations for paging facilities that were not constructed by the expiration date of their construction permits and remained unconstructed, (ii) dismissed approximately 94 applications for fill-in sites around existing paging stations (which had been filed under the so-called "40-mile rule") as defective because they were predicated upon unconstructed facilities and (iii) automatically terminated approximately 99 other authorizations for paging facilities that were constructed after the expiration date of their construction permits. With respect to the approximately 99 authorizations where the underlying station was untimely constructed, the FCC granted the Company interim operating authority subject to further action by the FCC.

On April 8, 1997, the FCC adopted an order commencing an administrative hearing into the qualification of the Company to remain a licensee. The order directs an Administrative Law Judge to take evidence and develop a full factual record on directed issues concerning the Company's filing of false forms and applications. The Company is permitted to operate their licensed facilities and provide service to the public during the pendency of the hearing. The FCC's order initiated a fact-finding and evaluative hearing process to gather information with which to make a decision, but would not be a final disposition of the FCC's action. An adverse outcome of this proceeding could result in the loss of the Company's licenses or substantial monetary fines, or both. Any such outcome would have a material adverse effect on the Company's financial condition and results of operations.

On April 23, 1997, the Company filed a motion with the FCC seeking a stay of the hearing proceeding instituted by the FCC order entered April 7, 1997. The motion discusses the consequences either of a grant or a denial of the motion to the Company and its debt and equity holders. The Company filed a Current Report on Form 8-K with the SEC that includes a copy of the motion. On May 2, 1997 the Administrative Law Judge denied the Company's motion to stay the hearing. The Company subsequently sought an appeal of the Administrative Law Judge's decision.

On June 6, 1997 the FCC issued an order staying the hearing proceeding. The FCC order stays the hearing for ten months in order for the Company to develop and consummate a plan of reorganization that provides for a change of control of the Company and thus a transfer of the Company's FCC licenses. Under the order, which is based on an FCC doctrine known as *Second Thursday*, if there is a change of control that meets the conditions of *Second Thursday*, the Company's FCC issues will be resolved by the transfer of the Company's FCC licenses and the hearing will not proceed.

Footnotes to the Financial Statements (continued):

As noted in the order, the Company believes that a change in control will happen under a reorganization plan that provides either for a conversion of certain existing debt to equity, in which case existing MobileMedia shares will be substantially diluted or eliminated, or a sale of the Company.

The Company cannot be certain what monetary forfeitures or other further actions the FCC may take in regard to this matter or the timing of any such actions, but such actions could have a material adverse effect upon the financial condition or operations of the Company.

**OFFICE OF THE U.S. TRUSTEE - REGION 3
CONSOLIDATED STATEMENT OF CASH
RECEIPTS AND DISBURSEMENTS**

For the month ended May 31, 1997

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

The Debtors have 63 bank accounts. In order to minimize costs to the estate, the Debtors have included a GAAP Statement of Cash Flows for the reporting period which is attached. The Statement of Cash Flows replaces the listing of cash receipts and disbursements, copies of the bank statements, and bank account reconciliations.

HEADNOTES:

The closing of the Financial Statements of the Debtors for the year ended December 31, 1996 has not been completed. Therefore, the Financial Statements included in this Monthly Operating Report do not reflect the effect of certain adjustments for the year ended December 31, 1996, which adjustments will be material.

The Debtors believe that there will be adjustments to their Accounts Receivable, Inventory, Fixed Assets, Intangible Assets and Depreciation Expense. There will also be adjustments to certain other accounts as a result of the Debtors' filing for protection under Chapter 11 of the US Bankruptcy Code on January 30, 1997.

The Consolidated Statement of Cash Flows should be read in conjunction with all of the footnotes disclosed on pages 7 through 11 of this report. Results for the month of March 1997 are not indicative of the Debtors' underlying performance during that month.

MobileMedia Corporation and Subsidiaries
Consolidated Statements Of Cash Flows
For The Months Ended May 31, 1997, April 30, 1997, and March 31, 1997
(Unaudited)
(in thousands)

	May 1997	April 1997	March 1997
Operating Activities			
Net Loss	(\$16,843)	(\$19,898)	(\$23,492)
Adjustments To Reconcile Net Loss To Net Cash Provided By (Used In) Operating Activities:			
Depreciation And Amortization	17,938	20,250	19,017
Provision For Uncollectible Accounts And Returns	5,527	8,046	13,767
Undistributed Earnings Of Affiliate	(28)	(28)	(64)
Deferred Financings Fees, Net	554	554	554
Change In Operating Assets and Liabilities:			
Accounts Receivable	(4,842)	(3,008)	(6,353)
Inventory	1,445	(386)	(1,382)
Prepaid Expenses And Other Assets	358	(841)	(78)
Accounts Payable, Accrued Expenses and Other	(6,714)	762	20,903
Net Cash Provided By (Used In) Operating Activities	(2,605)	5,451	22,872
Investing Activities			
Construction And Capital Expenditures, Including Net Change In Payer Assets	(2,768)	(4,373)	(3,972)
Net Cash Used In Investing Activities	(2,768)	(4,373)	(3,972)
Financing Activities			
Repayments of DIP Credit Facility	0	(5,000)	(25,000)
Net Cash Provided By (Used In) Financing Activities	0	(5,000)	(25,000)
Net Decrease In Cash And Cash Equivalents	(5,374)	(3,920)	(6,101)
Cash And Cash Equivalents At Beginning Of Period	10,523	14,444	20,545
Cash And Cash Equivalents At End Of Period	\$5,150	\$10,523	\$14,444

See Accompanying Notes

OFFICE OF THE U.S. TRUSTEE - REGION 3
STATEMENT OF ACCOUNTS RECEIVABLE AGING AND
AGING OF POSTPETITION ACCOUNTS PAYABLE

For the month ended May 31, 1997

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

ACCOUNTS RECEIVABLE AGING		
	\$ 29,581,296	0 - 30 days old
	25,182,961	31 - 60 days old
	16,229,821	61 - 90 days old
	64,947,604	91 + days old
	135,941,682	TOTAL TRADE ACCOUNTS RECEIVABLE
	(49,872,108)	ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS
	86,069,574	TRADE ACCOUNTS RECEIVABLE (NET)
	2,949,245	OTHER NON-TRADE RECEIVABLES
	\$ 89,018,819	ACCOUNTS RECEIVABLE, NET

AGING OF POSTPETITION ACCOUNTS PAYABLE					
	0-30 Days	31-60 Days	61-90 Days	91 + Days	Total
ACCOUNTS PAYABLE	\$ 7,843,196	269,809	48,009	12,459	\$ 8,173,473

OFFICE OF THE U.S. TRUSTEE - REGION 3
STATEMENT OF OPERATIONS, TAXES,
INSURANCE AND PERSONNEL

For the month ended May 31, 1997

Debtor Name: MobileMedia Corporation et al.

Case Number: 97-174 (PJW)

STATUS OF POSTPETITION TAXES					
	BEGINNING TAX LIABILITY	AMOUNT WITHHELD OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	DELINQUENT TAXES
FEDERAL					
WITHHOLDING	\$ 0	\$ 2,348,297	\$ 2,348,297	\$ 0	\$ 0
FICA-EMPLOYEE	0	1,208,412	1,208,412	0	0
FICA-EMPLOYER	42,505	1,085,750	1,128,255	0	0
UNEMPLOYMENT	5,502	23,814	29,316	0	0
INCOME	0	0	0	0	0
TOTAL FEDERAL TAXES	48,007	4,666,273	4,714,280	0	0
STATE AND LOCAL					
WITHHOLDING	0	397,130	397,130	0	0
SALES	969,242	228,752	627,730	570,264	0
UNEMPLOYMENT	49,964	169,770	219,734	0	0
REAL PROPERTY	1,032,055	321,359	0	1,353,414	0
OTHER	26,604	78,911	43,347	62,168	0
TOTAL STATE AND LOCAL	2,077,865	1,195,922	1,287,941	1,985,846	0
TOTAL TAXES	\$ 2,125,872	\$ 5,862,195	\$ 6,002,221	\$ 1,985,846	\$ 0

PAYMENTS TO INSIDERS AND PROFESSIONALS

For the month ended May 31, 1997

INSIDERS				
Payee Name	Position	Salary/Bonus/ Auto Allowance	Reimbursable Expenses	Total
Alvarez & Marsal Inc. - Joseph A. Bondi	Chairman - Restructuring	0	0	0
Boykin, Roberta	Assistant Secretary	\$ 17,942	\$ 0	\$ 17,942
Burdette, H. Stephen	Senior VP Corporate Development and Acting Senior VP Operations	39,782	7,779	47,561
Cross, Andrew	Executive VP Sales and Marketing	25,500	5,097	30,597
Grawert, Ron	Chief Executive Officer	46,154	9,867	56,021
Gray, Patricia	Secretary/Acting General Counsel	25,752	568	26,320
Gross, Steven	Senior VP Marketing	63,385	3,512	66,897
Hilson, Debra	Assistant Secretary	7,418	1,843	9,261
Hughes, Curtis	Assistant VP Mgmt. Information Systems	20,949	482	21,431
Pascucci, James	Assistant Treasurer	21,473	6,405	27,878
Pittsman, Santo	Senior VP of Administration and Business Planning	23,769	0	23,769
Shea, Kevin	Treasurer	39,792	0	39,792
Witsaman, Mark	Senior VP and Chief Technology Officer	20,884	4,318	25,202
TOTAL PAYMENTS TO INSIDERS				\$ 392,671

PAYMENTS TO INSIDERS AND PROFESSIONALS (Continued)
For the month ended May 31, 1997

PROFESSIONALS				
Name and Relationship	Date of Court Approval	Invoices Received (1)	Invoices Paid	Holdback and Invoice Balances Due
1. Ernst & Young - Auditor, Tax and Financial Consultants to Debtor	1/30/97	\$ 0	\$ 491,388	\$ 226,113
2. Latham & Watkins - Counsel to Debtor	1/30/97	192,556	91,266	242,632
3. Alvarez & Marsal Inc.- Restructuring Consultant to Debtor (2)	1/30/97	246,403	129,951	301,343
4. Sidley & Austin - Bankruptcy Counsel to Debtor	1/30/97	215,482	142,103	296,049
5. Young, Conway, Stargate & Taylor - Delaware Counsel to Debtor	1/30/97	0	0	0
6. Wiley, Rein & Fielding - FCC Counsel to Debtor	1/30/97	146,858	23,342	187,010
7. Koteen & Naftalin - FCC Counsel to Debtor	6/11/97	0	0	0
8. Houlihan, Lokey, Howard & Zukin - Advisors to the Creditors' Committee	6/04/97	0	0	0
9. Jones, Day, Reavis & Pogue - Counsel to the Creditors' Committee	4/03/97	17,833	19,647	25,101
10. Morris, Nichols, Arsht & Tunnell - Delaware Counsel to the Creditors' Committee	4/03/97	0	0	0
11. Paul, Weiss, Rifkind, Wharton & Garrison - FCC Counsel to the Creditors' Committee	5/2/97	37,804	0	47,126
TOTAL PAYMENTS TO PROFESSIONALS		\$ 856,936	\$ 897,697	\$ 1,325,374

(1) Invoices received excludes invoices for fees and expenses through May 31, 1997 that were received by the Debtors subsequent to May 31, 1997.

(2) Includes fees and expenses for David R. Gibson, Senior Vice President and Chief Financial Officer (effective June 24, 1997).

ADEQUATE PROTECTION PAYMENTS			
For the month ended May 31, 1997			
NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
The Chase Manhattan Bank - (Interest)	\$ 4,592,482	\$ 4,592,482*	\$ 0

* Payment made on 6/2/97.

QUESTIONNAIRE	YES	NO
For the month ended May 31, 1997		
1. Have any assets been sold or transferred outside the normal course of business this reporting period?		No
2. Have any funds been disbursed from any account other than a debtor in possession account?		No
3. Are any postpetition receivables (accounts, notes, or loans) due from related parties?		No
4. Have any payments been made of prepetition liabilities this reporting period?	Yes	
5. Have any postpetition loans been received by the debtor from any party?	Yes	
6. Are any postpetition payroll taxes past due?		No
7. Are any postpetition state or federal income taxes past due?		No
8. Are any postpetition real estate taxes past due?		No
9. Are any postpetition taxes past due?		No
10. Are any amounts owed to postpetition creditors past due?		No
11. Have any prepetition taxes been paid during the reporting period?	Yes	
12. Are any wage payments past due?		No

If the answer to any of the above questions is "YES", provide a detailed explanation of each item.

Item 4 & 11. The Court has authorized the Debtors to pay certain pre-petition creditors. These permitted prepetition payments include (i) employee salary and wages; (ii) certain employee benefits and travel expenses; (iii) certain amounts owing to essential vendors; (iv) trust fund type sales and use taxes; (v) trust fund payroll taxes; (vi) customer refunds; and (vii) customer rewards.

Item 5. During the month of February 1997, the Debtors drew down \$45 million of their DIP facility with The Chase Manhattan Bank, as agent for the lenders thereunder. During the months of March and April 1997, the Debtors repaid \$25 million and \$5 million, respectively, of borrowings under the DIP facility.

INSURANCE

For the month ended May 31, 1997

There were no changes in insurance coverage for the reporting period.

PERSONNEL

For the month ended May 31, 1997

	Full Time	Part Time
1. Total number of employees at beginning of period	3,361	165
2. Number of employees hired during the period	39	10
3. Number of employees terminated or resigned during the period	(25)	(20)
4. Total number of employees on payroll at end of period	3,375	155